

For: Flue-Cured Tobacco State and County Offices

Flue-Cured Tobacco Auction Warehouse Designation

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Notice TB-990 provided that continuing warehouse designation would not be implemented for farms that designated only 1 warehouse for marketing the previous crop. To establish eligibility for price support at auction markets, flue-cured producers must designate the:

- warehouse for price support
- number of pounds to market at each designated warehouse.

In the past, producers have designated pounds to a specific auction warehouse for price support; however, the tobacco was actually sold at a different auction warehouse without price support or sold nonauction. This has resulted in incorrect information being provided to AMS and FSA as to where the tobacco will be marketed.

Effective for 2001 and subsequent crops years, tobacco **cannot** be marketed at any warehouse with a different warehouse code notated on the marketing card. Producers shall designate to an auction warehouse **only** the pounds that will be marketed at that specific auction warehouse. After April 15, 2001, changes to warehouse designations will only be allowed through normal redesignation.

Note: 9-TB SCOAP will be amended.

B

Purpose

This notice provides the new:

- auction warehouse designation policy
 - procedures for issuing marketing cards.
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Disposal Date	Distribution
December 1, 2001	Flue-Cured State Offices; State Offices relay to applicable County Offices

2 Auction Warehouse Designation

A

Initial Designation

Initial designation began on the date initial MQ-24's were issued and ended on April 15, 2001.

Regular redesignation policy will not change. Special redesignation policy will be amended to include provisions for pounds rejected at a nonauction receiving station when the auction market only has an equivalent of 5 sales opportunity days.

Note: Pounds that will be marketed at nonauction **shall not** be designated to an auction warehouse.

Example: Producer A has a grower agreement with Company XYZ for their entire share of the flue-cured tobacco crop on FSN 2. FSN 2 has 20,000 pounds of quota eligible to be marketed from the farm. Producer A has a 100 percent share in the crop. Producer A shall leave the entire 20,000 pounds as undesignated to receive MQ-76-C. Pounds that will be delivered to a nonauction receiving station **shall not be** designated to an auction warehouse.

B

Issuing MQ-76

County Offices shall issue flue-cured tobacco MQ-76 with the 3-digit warehouse code for designating farms. At the time of weigh-in, tobacco must be presented with a valid MQ-76 with the 3-digit warehouse code applicable to the warehouse that will auction the tobacco.

Notes: Warehouse operators **will not** be allowed to accept any of the following:

- MQ-76 without the 3-digit warehouse code
- MQ-76 with a 3-digit warehouse code of another warehouse
- MQ-76-C for tobacco sold at auction.

Producers must indicate the number of MQ-76's needed.

3 Nonauction

A Issuing MQ-76-C

County Offices shall issue MQ-76-C for farms that will market nonauction. Nonauction includes any marketing of tobacco other than at an auction sale through a warehouse.

MQ-76-C may be used to market flue-cured tobacco to any dealer, warehouse operator, or receiving station at nonauction.

Note: Dealers, warehouse operators, and receiving station officials **will not** be allowed to purchase flue-cured tobacco that is presented with MQ-76 at nonauction.

4 Penalty

A Dealers, Warehouse Operators, or Receiving Station Officials

Any first marketing of flue-cured tobacco by a producer that is not identified by a valid marketing card at the time of marketing shall be considered a marketing of excess tobacco and the penalty thereon shall be collected and remitted as applicable.

Note: Suspended sales will no longer be applicable beginning with the 2001 marketing year.

Marketing Cards		
Type	Form	Description
Warehouse (auction)	MQ-76	Marketing card will be embossed and must contain the 3-digit warehouse code for the warehouse in which the producer is presenting the tobacco for sale.
Dealer or Warehouse Operator (nonauction) Receiving Station (nonauction)	MQ-76-C	Marketing card will be thermal printed with a barcode.

5 State and County Office Action

A Publicize

State and County Offices shall use all means available to publicize the contents of this notice.
